

SIMPLIFYING SUSTAINABILITY REPORTING

Making Sense of Complexity in a Regulated Environment



In today's business world, sustainability reporting has become more complex and demanding for UK organisations. Most UK ESG regulations are mandatory for public companies with 500 employees, a £500 million turnover, and large private and premium-listed companies. SMEs have their own regulatory reporting requirements. And though 48% of UK SMEs express interest in addressing climate change, and in implementing ESG initiatives, they frequently lack essential information to take action.

A recent survey sheds light on how sustainability decision-makers feel overwhelmed by the increasing regulations and requirements. As rules multiply and the need for transparency on net-zero goals grows, companies juggle numerous frameworks and standards, making reporting more complicated.

The Challenges:

The survey shows that many sustainability decision-makers find current reporting requirements overly complicated, with 55 percent expressing confusion and frustration. Nearly half of the respondents report to three or more ESG frameworks, with some dealing with up to eight, especially in sectors like professional services, finance, healthcare, and technology.

Key Frameworks and Standards:

Government-mandated standards like the Carbon Reduction Plan (CRP) and the Energy Saving Opportunity Scheme (ESOS) are the most commonly reported frameworks. Other standards, such as the International Sustainability Standards Board (ISSB) and the EU's Corporate Sustainability Due Diligence Directive, are also gaining traction among respondents.

Navigating the Complexity:

Despite the challenges, 34 percent of respondents believe that complying with new ESG regulations has positively influenced their sustainability strategies. This suggests that while regulatory compliance is burdensome, it encourages organisations to align their strategies with sustainability goals.

Moving Forward:

As regulations increase and transparency expectations rise, stakeholders must work together to create cohesive frameworks that balance regulatory compliance with practicality. Simplifying reporting requirements and promoting innovation and adaptability within organisations can help navigate the evolving sustainability landscape more effectively.

Energy Solutions Alliance offers comprehensive solutions to streamline sustainability reporting processes, easing your organisation's complexity burden.